

TENNESSEE REGULATORY AUTHORITY



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Ron Jones, Chairman
Deborah Taylor Tate, Director
Pat Miller, Director
Sara Kyle, Director

460 James Robertson Parkway
Nashville, Tennessee 37243-0505

July 7, 2005

Mr. Patrick Crocker
Early, Lennon, Crocker & Bartosiewicz, PLC
900 Comerica Building
Kalamazoo, Michigan 49007

RE: IBFA Acquisition Company, LLC
Docket Number 05-00151

Dear Mr. Crocker:

CLEC applicants are required, by statute, to demonstrate their managerial, financial and technical abilities to provide the services for which they seek authority. To assist the Authority in its review of IBFA Acquisition Company, LLC's application for a Certificate of Convenience and Necessity to provide competing facilities based and resold local and interexchange services in Tennessee, you are requested to provide the following information:

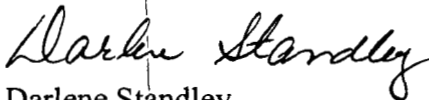
1. Please clarify the statement in Exhibit F that "IBFA was organized on May 25, 2004 and has not yet begun to provide service in any jurisdiction." The Balance Sheet for the period ending February 28, 2005 indicates accounts receivable and retained earnings. Are these amounts for services provided by IFBA through February 28, 2005? Also, please clarify the Statement of Earnings indicating sales of local and long distance in the amount of approximately \$700,000, as well as "carrier costs" of approximately \$68,000.
2. Please identify the carrier referenced in your Revised Exhibit A, filed on June 30, 2005, indicating an Asset Purchase Agreement and application to approve the transfer of this carrier's assets which will be forthcoming.
3. Please identify any sources of funding for IBFA's Tennessee network, including loan commitments, available cash, etc. These amounts are not considered to be included in the \$20,000 Letter of Credit (Exhibit H), which is intended to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under this title or the Consumer Protection Act of 1990, by or on behalf of the authority.
4. The 36 month forecasted expenditures provided include \$250,000 "Purchase Installments" in Month 6 and Month 14 as well as amounts totaling \$48,000 for "Equipment Purchase." Please clarify the statements in Exhibit G "Capital

Expenditures Budget" that "Applicant will deploy no equipment for this service offering" and "Applicant will have no cost, as it will deploy no equipment."

5. CLECs are required, by statute, to demonstrate their managerial, technical, and financial abilities to provide the services for which they seek authority. Please provide more detailed information regarding specific past experience of the officers listed in Exhibit E, to assure the requisite abilities in these areas.

Please provide the above information by July 18, 2005. In accordance with TRA Rules, please submit either (1) thirteen written copies of your response or (2) four written copies and an electronic version. If you have questions concerning this request or need additional information, please contact Lisa Foust at 615-741-2904 extension 220.

Sincerely,



Darlene Standley
Utilities Division Chief